

**RULES
OF
THE TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY**

**CHAPTER 0720—5
CERTIFICATE OF NEED PROGRAM—APPLICATION,
DISCLOSURE OF INFORMATION AND REPORTING REQUIREMENTS**

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0720—5—.01 STANDARD APPLICATION.

- (1) Application for a certificate of need shall be made on form(s) provided by the Agency. The applicant must provide all information requested in the application forms. The information which may be required in the application form(s) includes, but is not necessarily limited to, the following:
 - (a) Facility identification, including legal interests and status, operator and owners;
 - (b) Detailed project description;
 - (c) Detailed project cost data;
 - (d) Detailed disclosure of anticipated financing mechanism;
 - (e) Project operating costs and revenues, patient charges, and occupancy rate; and
 - (f) Information on the project's relationship to public needs and the existing health service system.
- (2) The accuracy of the information provided must be attested to by the responsible party or his agent in a notarized statement. Providing false incorrect, misleading, or fraudulent information is grounds for revocation of the certificate of need.¹

Authority: *T.C.A. §§68—11—1605; 68—11—1607; Section 10; 4—5—202.*

0720—5—.02 REPORT OF BED INCREASES NOT REQUIRING A CERTIFICATE OF NEED

- (1) Any nursing home or hospital which is increasing the number of its licensed beds without the necessity of obtaining a certificate of need, as provided by law, shall report such activity on forms provided by the Agency.
- (2) Any ~~person~~ nursing home or hospital² reporting such increases must provide all information requested in the form(s). Information required to be provided by the forms may include, but not be limited to, the following:
 - (a) Facility identification;
 - (b) Number of licensed beds prior to the request;

- (c) Number of beds being increased; and
- (d) Anticipated date of licensure/certification.

Authority: T.C.A. §§68—11—1605; 68—11—1607; 4—5—202.

0720—5—.03 REPLACEMENT OR UPGRADE OF MAJOR MEDICAL EQUIPMENT

- (1) Any person claiming an exemption from the certificate of need requirements for the replacement or upgrade of major medical equipment shall report the replacement or upgrade on forms provided by the Agency.
- (2) Any person claiming the exemption must provide all information requested in the form(s). Information which may be required by the form(s) may include, but not be limited to, the following:
 - (a) A description of the original equipment, and of the replacement or upgraded equipment;
 - (b) The cost of the original equipment and of the replacement or upgraded equipment, and whether the acquisition was by purchase, lease, or otherwise;
 - (c) The expected useful life of the original equipment, and of the replacement or upgraded equipment;
 - (d) The date of acquisition of the original equipment, and of the replacement or upgraded equipment; and
 - (e) The owner of the original equipment; and of the replacement or upgraded equipment.

Authority: T.C.A. §§68—11—1605; 68—11—1607; 4—5—202.

0720—5—.04 REPORT OF CHANGE OF OWNERSHIP OF LICENSED INSTITUTIONS

- (1) Notice of a change of ownership of a health care institution, occurring within two years of the date of initial licensure, must be reported ~~on form(s) provided by the Agency~~ to the Agency in writing.³

Any person reporting such a change of ownership must provide all information requested ~~in the form~~ by the Agency. Such information which may be required ~~by the form(s)~~ may include, but not be limited to, the following:

- (a) Identification of the current owner of the health care institution;
- (b) Identification of the proposed new owner of the health care institution;
- (c) Identification of the health care institution, the ownership of which is proposed to be transferred; and,
- (d) The effective date of the proposed change of ownership.

Authority: T.C.A. §§68—11—1605; 68—11—1607; 4—5—202.

0720—5—.05 REGISTRATION OF EQUIPMENT

- (1) Ownership of computerized axial tomographers, ~~extracorporeal~~ lithotripters, magnetic resonance imagers, linear accelerators, positron emission tomography, and any other piece of equipment specified by law, must be made on forms provided by the Agency within ninety (90) days of acquisition of the equipment.⁴

- (2) The person registering such equipment must provide all information requested in the form(s) provided by Agency staff. Information which may be required by the form(s), may include, but not be limited to, the following:
 - (a) Identification of the owner of such equipment;
 - (b) The location of the equipment, including facility identification;
 - (c) Whether the acquisition is by purchase, lease, or otherwise;
 - (d) The date of delivery of the equipment; and
 - (e) The expected useful life of the equipment.

Authority: T.C.A. §§68-11-1605;68-11-1607; Section 10; 4-5-202.

~~0720-5-.06 REGISTRATION OF LICENSED BEDS AND USES⁵~~

- ~~(1) Each hospital shall, within ninety (90) days of October 1, 1993 register with the Agency the number of licensed beds in its facility for each of the following categories according to intended use: adult psychiatric, child and adolescent psychiatric, and rehabilitation. Such registration shall be on form(s) provided by the Agency.~~
- ~~(2) The person registering the licensed beds and uses must provide all information requested in the form(s) provided by the Agency.~~

¹ Commissioner Flowers proposed the addition of the following subsection because "[d]ocumentation of TennCare participation should be an application requirement." The Agency has yet to decide whether to incorporate the proposal.

(g) Written documentation on the applicant's previous, current and proposed TennCare participation, including the status of any negotiations with TennCare managed care organizations. If applicable, a copy of a signed agreement between the applicant and a TennCare managed care organization shall be submitted to the Agency; if an agreement has not been reached, the applicant shall submit to the Agency, within ninety (90) days after approval of its application, a signed written Letter of Intent reflecting agreement on material terms with the TennCare managed care entity, or a written explanation as to its failure to agree on such terms. This requirement of this subsection shall be waived if the applicant has in place one (1) signed contract with a TennCare managed care organization prior to application approval.

² Agency Staff proposed that the amendment be made to 0720-5-.02(2) because it is specifically a "nursing home or hospital" that is required to make the report(s) under the Rule.

³ Agency Staff proposed the amendment because providing such notice in writing would seem sufficient without requiring a special form.

⁴ Agency Staff proposed the amendment in light of the comprehensive provisions covering registration of equipment found in T.C.A. §68-11-1607.

⁵ Agency Staff proposed that the rule be deleted in its entirety because statutory authority is now lacking for the rule.